SUMMARY OF FINDINGS

General highlights

In 2006, U.S. nonfarm businesses with employees spent a total of $250.7 billion on noncapitalized and capitalized information and communication technology (ICT) equipment, including computer software, an increase of 6.3 percent from the revised 2005 estimate of $235.8 billion.[1] (See Tables A, 1a and 1b.)

Noncapitalized spending in 2006 was $90.8 billion (36.2 percent of total spending) not statistically different[2] from 2005. Capitalized spending in 2006 increased by 10.9 percent to $159.9 billion (63.8 percent of total spending).

Noncapitalized expenditures. Of total 2006 noncapitalized ICT spending ($90.8 billion), purchases of ICT equipment accounted for $18.6 billion (20.5 percent), about the same as 2005.[3] Operating leases and rental payments accounted for $18.2 billion (20.0 percent). Computer software expenditures accounted for $54.0 billion (59.5 percent).

Purchases of ICT equipment. Of the $18.6 billion spent on noncapitalized ICT purchases, computer and peripheral equipment accounted for $13.0 billion, an increase of 6.4 percent from 2005; ICT equipment excluding computers and peripherals accounted for $5.3 billion, and electromedical and electrotherapeutic apparatus accounted for $0.3 billion.

Operating leases and rental payments. Of the $18.2 billion spent on noncapitalized operating leases and rental payments, computer and peripheral equipment accounted for $11.8 billion, a decrease of 7.4 percent from 2005; ICT equipment excluding computers and peripherals accounted for $5.3 billion; and electromedical and electrotherapeutic apparatus accounted for $1.0 billion.

Computer software expenditures. Of the $54.0 billion spent on noncapitalized computer software, $30.7 billion was for purchases and payroll for developing software, and $23.3 billion was for software licensing and service/maintenance agreements.

Capitalized expenditures. Of total capitalized ICT spending in 2006 ($159.9 billion), purchases of ICT equipment accounted for $100.6 billion, an increase of 6.8 percent from 2005. Capitalized purchases and payroll for developing software accounted for $59.3 billion, an increase of 18.4 percent from 2005.

Purchases of ICT equipment. Of the $100.6 billion spent on capitalized ICT purchases in 2006, computer and peripheral equipment accounted for $56.7 billion, an increase of 4.7 percent from 2005; ICT equipment excluding computers and peripherals accounted for $39.2 billion, an increase of 12.4 percent from 2005; and electromedical and electrotherapeutic apparatus accounted for $4.6 billion.

Selected sector highlights

Complete sector level data are provided in Table A and in the detail publication Tables 2a - 4d. See also Figures 1, 2, 3 and 4.

Table A. **Total Expenditures for ICT Equipment and Computer Software by Selected Business Sector for Companies With Employees: 2006 and 2005 Revised** [1]

[Millions of dollars. For meanings of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology.]

NAICS code	Business Sector	2006		2005 †		Percent change from 2005 to 2006	Confidence interval on percent change ††
		Equipment and software expenditures	Relative standard error	Equipment and software expenditures	Relative standard error		
	Total	**250,693**	**0.7**	**235,830**	**0.7**	**6.3**	**+ 4.6 to + 8.0**
51	Information	62,679	1.3	55,120	1.7	13.7	+ 9.6 to + 17.8
52	Finance and Insurance	48,293	1.7	44,323	1.6	9.0	+ 4.7 to + 13.2
31-33	Manufacturing	34,909	0.6	33,046	0.5	5.6	+ 4.3 to + 7.0
54	Professional, scientific, and technical services	25,858	3.4	26,478	3.5	-2.3 *	- 10.1 to + 5.6
62	Health care and social assistance	19,038	2.3	19,884	3.7	-4.3 *	- 11.1 to + 2.6
44-45	Retail Trade	14,767	1.3	14,470	2.1	2.1 *	- 2.1 to + 6.2
42	Wholesale Trade	8,011	3.1	7,859	3.6	1.9 *	- 6.0 to + 9.9
56	Administrative and support and waste management	6,531	8.5	5,670	5.3	15.2 *	- 3.8 to + 34.1
48-49	Transportation and Warehousing	4,992	1.7	4,911	1.7	1.6 *	- 2.4 to + 5.7
81	Other Services	4,260	19.0	3,263	4.8	30.6 *	- 11.5 to + 72.6
22	Utilities	3,834	0.9	3,864	2.1	-0.8 *	- 4.5 to + 3.0
61	Educational Services	3,517	6.8	3,484	5.6	0.9 *	- 13.7 to + 15.6
53	Real estate and rental and leasing	3,247	8.2	3,152	9.0	3.0 *	- 17.7 to + 23.7
72	Accommodation and food services	2,636	10.0	2,773	5.3	-4.9 *	- 22.6 to + 12.7
23	Construction	2,520	5.7	2,454	4.6	2.7 *	- 9.7 to + 15.0
21	Mining	1,933	7.7	1,618	2.9	19.5	+ 3.3 to + 35.6
55	Management of companies and enterprises	1,436	2.8	1,227	5.1	17.0	+ 5.9 to + 28.2
71	Arts, entertainment, and recreation	1,417	2.5	1,385	5.7	2.3 *	- 8.1 to + 12.7
113-115	Forestry, fishing, and agricultural services	97	6.9	155	9.8	-37.4	- 49.7 to - 25.1

* Not statistically significant.

Note: Detail may not add to total because of rounding.

† Refer to endnote 1.

†† This column presents the 90-percent confidence interval for the estimate of percent change. If this interval contains zero (0) then there is not sufficient evidence to conclude that the estimated percent change is statistically different from 0. See the "Reliability of the Estimates" section of Appendix B: Sampling and Estimation Methodologies for more information on confidence intervals and statistical significance.

Information. The information sector spent $62.7 billion, or 25.0 percent of total ICT equipment and computer software expenditures in 2006, an increase of 13.7 percent from 2005. Of this amount, $14.0 billion (22.3 percent) was for noncapitalized expenditures, a decrease of 10.9 percent from 2005, while $48.7 billion (77.7 percent) was for capitalized expenditures, an increase of 23.5 percent from 2005.

Finance and insurance. Spending in this sector for ICT equipment and computer software totaled $48.3 billion in 2006, an increase of 9.0 percent from 2005. Of this amount, $20.8 billion (43.0 percent) was for noncapitalized spending, and $27.5 billion (57.0 percent) was for capitalized spending. Total 2006 capitalized spending was 13.1 percent greater than in 2005. In 2006, finance and insurance accounted for 19.3 percent of all ICT spending.

Manufacturing. The manufacturing sector spent $34.9 billion for ICT equipment and computer software in 2006, an increase of 5.6 percent from 2005. Of this amount, $16.9 billion was for noncapitalized expenditures, an increase of 1.6 percent from 2005, while $18.0 billion was for capitalized expenditures, an increase of 9.7 percent from 2005. In 2006, manufacturing accounted for 13.9 percent of all ICT spending.

Durable goods manufacturers spent $21.7 billion on ICT equipment and computer software in 2006, an increase of 3.1 percent from 2005. Of this amount, $11.3 billion was for noncapitalized ICT expenditures; $10.4 billion was for capitalized expenditures, an increase of 6.2 percent from 2005.

Nondurable goods manufacturers spent $13.2 billion on ICT equipment and computer software in 2006, an increase of 10.2 percent from 2005. Noncapitalized expenditures totaled $5.6 billion, an increase of 4.3 percent from 2005, while capitalized expenditures were $7.6 billion, up 14.9 percent from 2005.

Professional, scientific, and technical services. ICT spending in this sector totaled $25.9 billion in 2006. Of this amount, $12.2 billion was for noncapitalized ICT and $13.6 billion for capitalized ICT. In 2006, this sector accounted for 10.3 percent of all ICT spending.

Health care and social assistance. This sector spent $19.0 billion on ICT equipment and computer software in 2006. Of this amount, $6.0 billion was for noncapitalized expenditures and $13.0 billion was for capitalized expenditures.

Retail trade. In 2006, the retail trade sector spent $14.8 billion on ICT equipment and computer software. Of this amount, $3.8 billion was for noncapitalized ICT; $10.9 billion was for capitalized ICT, an increase of 5.4 percent from 2005.

Wholesale trade. In 2006, the wholesale trade sector spent $8.0 billion on ICT equipment and computer software. Of this total, noncapitalized spending accounted for $2.7 billion, a decrease of 8.6 percent from 2005, and capitalized spending accounted for $5.3 billion.

Construction. In 2006, the construction sector spent $2.5 billion on ICT equipment and computer software. Of this amount, $1.0 billion was for noncapitalized equipment and computer software, an increase of 15.8 percent from 2005. Capitalized ICT spending totaled $1.5 billion.

Mining. In 2006, ICT spending in the mining sector totaled $1.9 billion, an increase of 19.5 percent from 2005. Noncapitalized expenditures were $0.7 billion. Capitalized expenditures were $1.2 billion, an increase of 35.8 percent from 2005.

Management of companies and enterprises. In 2006, this sector spent $1.4 billion on ICT equipment and computer software, an increase of 17.0 percent from 2005. Noncapitalized expenditures totaled $0.7 billion, an increase of 41.2 percent from 2005. Capitalized expenditures totaled $0.8 billion.

Endnotes

[1] The revised total expenditures estimate for 2005 reflects a downward revision of $0.2 billion in noncapitalized expenditures to $91.6 billion, and an upward revision of $2.6 billion in capitalized expenditures to $144.2 billion.

[2] Statistical difference is determined at the 90 percent confidence level and is arrived at by calculating a confidence interval (or range) about the estimate of change. If this range contains zero (0), then it is uncertain whether there was an increase or a decrease; that is, the change is not statistically different. Refer to the "Reliability of the Estimates" Section of Appendix B: Sampling and Estimation Methodologies for a detailed explanation of a confidence interval.

[3] If an increase or decrease compared with 2005 is not stated, then there was no statistically significant difference between the 2006 and 2005 data.

Note on data

The data in this report are subject to sampling variability, as well as nonsampling error. Sources of nonsampling error include errors of response, nonreporting, and coverage. Further details concerning survey design, methodology, and data limitations are contained in Appendix B of this publication. This publication includes relative standard error tables for all data tables.